

2022 Local Partnership Program Guidelines Development Workshop



January 20, 2022



Welcome and Introductions

CHRISTINE GORDON

Associate Deputy Director | Local Partnership Program

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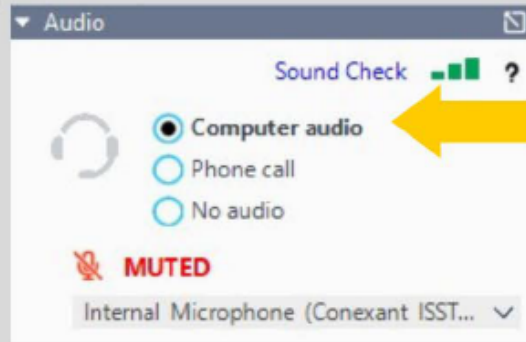
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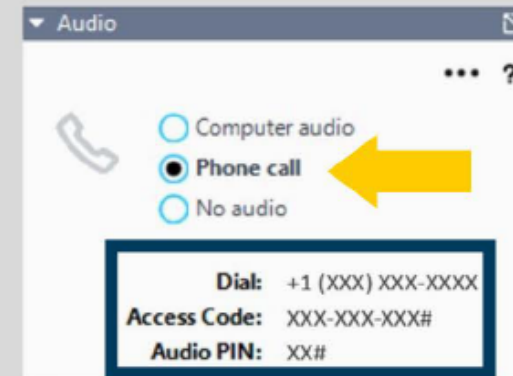
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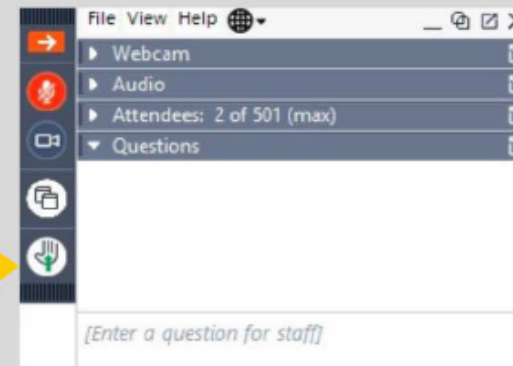


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Agenda Review



- November Workshop Recap
- December 16 – Equity Workshop Recap
- Local Partnership Program Overview
- Discussion Focus: Formulaic and Competitive Program
 - ✓ Handout: 2020 Local Partnership Program Guidelines sections for discussion
- Office Hour Sessions
- Closing and Next Steps



November Workshop Recap

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Associate Deputy Director | Local Partnership Program

Summary of Attendees



- Total number of attendees
✓ 94
- 22% - State agencies
- 32% - Regional agencies
- 32% - Local agencies
- 2% - Community-based organizations
- 12% - Other interested stakeholders

Key Topics Discussed



- General Competitive guideline updates
- Funding Restrictions (Section 3B)
 - CEQA/NEPA deadline
- Screening Criteria (Section 10B)
 - Prioritization of project nominations
- Project Rating Process (Section 11B)
 - Minimum funding request based on population category
- Evaluation Criteria (Section 12B)
 - Regional and Local Transportation, Land Use, and Housing Goals
 - Pro-Housing Designation Program (Department of Housing and Community Development)

Comments Received at Workshop



Funding Restrictions

CEQA/NEPA deadline

- ✓ Supports 6 months after program adoption

Screening Criteria

Prioritization of project nominations

- ✓ Allows applicants to choose most important project
- ✓ Difficult to prioritize a project(s) submitted by multiple applicants. Possible inconsistencies in prioritization
- ✓ Multiple applicants should collaborate to prioritize project(s)

Comments Received at Workshop (cont.)



Project Rating Process

Minimum funding request based on population category

- ✓ Minimum funding request amount is not needed. Population is not relevant.
- ✓ Increase maximum funding request amount (\$50 million)
- ✓ Supports current maximum funding request of \$25 million to allow more projects to be funded. The amount resembles the cap used by FHWA for the RAISE and BUILD grant programs.
- ✓ Reduce maximum funding request amount (\$20 or \$15 million)

Comments Received at Workshop (cont.)



Evaluation Criteria

Regional and local transportation, land use, and housing goals

Pro-housing Designation Program

- ✓ LPP is intended to incentivize self-help counties, could create a barrier
- ✓ Barrier for transit agencies
- ✓ Too soon to link pro-housing to the program
- ✓ Concerns about voter-approved projects, may not have access to LPP funds for these projects
- ✓ Can be good to take steps at achieving pro-housing
- ✓ Lack of equity-centered policies. Push towards state compliance with AB686 and AB1717

Discussions for Future Workshops



- ✓ Screening Criteria
 - ✓ Prioritization of project nominations
- ✓ Project Rating Process
 - ✓ Maximum funding request amount
- ✓ Funding Restrictions
 - ✓ CEQA/NEPA deadline
- ✓ Evaluation Criteria
 - ✓ Pro-housing Designation Program



December 16 Equity Workshop Recap

MATTHEW YOSGOTT

Deputy Director | SB 1 Programming

Recap - December 16 Equity Workshop



What we heard:

- Involve Community Based Organizations (CBOs) and community participation early in the process.
- Integrate equity in multiple places.
- Prioritize community visions before planning a project.
- Keep it simple.
- Add community support as a criterion.

Recap – December 16 Equity Workshop



Challenges of incorporating equity include:

- Funding constraints to properly address the depth of issues.
- Localizing equity indicators within a region.
- Lack of historical data for rural or small communities.
- Inability to fund CBO participation.
- Obtaining political and general support.
- The suburbs and rural areas' inability to compete with urban areas.
- Duplication of efforts by multiple agencies in the same geographic area.



Local Partnership Program Overview

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Associate Deputy Director | Local Partnership Program

Authority & Purpose



- Senate Bill 1 (SB 1) created the Local Partnership Program
 - Continuously appropriates \$200 million annually
- Program guidelines describe policy, standards and procedures.
 - Developed in cooperation with stakeholders
 - Modeled after Proposition 1B – State Local Partnership Program

Local Partnership Program Objectives



- Provide funding to counties, cities, districts, and regional transportation agencies:
 - 1.) that have voter-approved fees or taxes dedicated solely to transportation improvements; or
 - 2.) that have imposed fees, including uniform developer fees, dedicated solely to transportation improvements.

The Program intent is to balance the need to direct increased revenue to the state's highest transportation needs while fairly distributing the economic impact of increased funding.

Program Distribution and Funding



Annual Distribution:

\$200 million



\$20 million set aside for Formulaic Program Incentive Funding



\$180 million



60% Formulaic Program



40% Competitive Program

Local Partnership Program

Formulaic vs. Competitive



	Formulaic	Competitive
Funding	Formulaic funding distribution established for each taxing authority based on a combination of proportional tax, toll, or fee revenues and population.	Discretionary funding for project that excel through an evaluation process that promotes shovel-ready, cost-effective, and transformative projects.
Eligibility	Sought and received voter approval of taxes, tolls, or fees, dedicated solely to transportation improvements	<ul style="list-style-type: none"> • Agencies eligible for the Formulaic Program • Agencies that have imposed fees, including uniform developer fees, that are dedicated solely to transportation improvements.
Project Nominations	1.) Cover letter; 2.) fact sheet; 3.) general information; 4.) screening criteria; and 5). funding and deliverability	1.) Cover letter; 2.) fact sheet; 3.) general information; 4.) screening criteria; 5). evaluation criteria; 6). funding and deliverability; community impacts; and 7). advance transportation, land use, and housing goals.

Local Partnership Program

Eligible Projects (GOV 8879.70(a)(b) and SHC 2032(a))



Capital improvement projects:

- ✓ Improvements to the state highway system
- ✓ Improvements to transit facilities
- ✓ Acquisition, retrofit, or rehabilitation of rolling stock, buses or other transit equipment
- ✓ Improvements to the local road system
- ✓ Improvements to bicycle or pedestrian safety or mobility
- ✓ Improvements to mitigate the environmental impact of new transportation infrastructure on a locality's or region's air or water quality
- ✓ Soundwalls
- ✓ Road maintenance and rehabilitation
- ✓ Other transportation improvement projects



2022 LOCAL PARTNERSHIP PROGRAM

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Programming Cycle Years

Program Schedule

Matching Requirements (Sections 2A and 2B)

Proposed Programming Cycle Years



Cycle	Formulaic	Competitive
2022 Program	2 Years (FY 2023-24 and 2024-25)	2 Years (FY 2023-24 and 2024-25)

Proposed Program Schedule



Cycle	Formulaic	Competitive
2022 Program	<ul style="list-style-type: none">• Guideline adoption – August 2022• Applications due – November 2022• Program adoption – January 2023 (Duration: 5 months)	<ul style="list-style-type: none">• Guideline adoption – August 2022• Applications due – December 2022• Program adoption – June 2023 (Duration: 10 months)

Matching Requirements



2020 LPP Guidelines: Section 2A. Page 10; Section 2B. Page 21

Current policy:

Projects funded from the Local Partnership (formulaic and competitive) Program will require at least a one-to-one match of private, local, federal, or state funds with the following exceptions:

- Taxing authorities with a voter-approved tax, toll, or fee which generates less than \$100,000 annually are only required to provide a match equal to 25% of the requested Local Partnership Formulaic Program funds.
- For Soundwall only projects, the expenditure of local funds to complete the Project Approval and Environmental Documentation; Plans, Specifications, and Estimates; and Right-of-Way components may be used to meet the one-to-one match for the construction component.

Matching Requirements

2020 LPP Guidelines: Section 2A. Page 10; Section 2B. Page 21



Discussion Topic:

What are your thoughts on the current policy?



FORMULAIC PROGRAM

ANJA AULENBACHER

Assistant Deputy Director | Local Partnership Program



Distribution (Section 1A)

Funding Restrictions (Section 3A)

(Refer to the Discussion Document for proposed language)

Formulaic Funding Distribution



2020 LPP Guidelines: Section 1A, pages 8 - 9

- Withdraw previously proposed language
- Propose new language (in yellow text) under Distribution Factors:

Where there are multiple eligible taxing authorities with a voter-approved local sales tax within a county (or counties) with a countywide sales tax, the Commission will adopt a formulaic funding distribution for each taxing authority based on the relative tax rates of each voter-approved sales tax.

Formulaic Funding Distribution



2020 LPP Guidelines: Section 1A. page 8

Minimum annual Formulaic Funding amount current policy:
(no proposed changes)

All taxing authorities eligible for formulaic funding will receive a minimum annual amount of \$200,000. The Commission may adjust this minimum funding in future programming cycles.

Programming

2020 LPP Guidelines: Section 1A. page 9



- Overview of previously proposed changes:
 - “Unprogrammed Formulaic Funding”. (Move to Programming section from Distribution Section.)
 - Add clarifying language regarding programming and allocation deadlines.

Discussion:

- Refer to Discussion Document for proposed language.
 - Propose carryover of formulaic and incentive funds to first year of subsequent cycle.

• Thoughts?

Unused Incentive Funding



2020 LPP Guidelines: Section 1A. page 10

- Further refinement of previously proposed language (yellow text):

Unused incentive funding will be redistributed **as outlined below:**

- 1.) Based on the program funding distribution (60% via formulaic and 40% via competitive).
- 2.) The amount to the Formulaic Program will first be used to offset the Formulaic Funding Distribution amounts of new tax measures, tolls, or fees added during the fiscal year. Then the remaining balance will be redistributed to eligible taxing authorities in the next fiscal year.
- 3.) The amount to the Competitive Program will be redistributed in the last fiscal year of the Competitive Program programming cycle.

Funding Restrictions

2020 LPP Guidelines: Section 3A. page 11



- Propose clarifying language.
- Supplemental funding subsection - refer to Discussion Document for proposed language:
 - Remove “prior programming cycle” criteria for eligibility.
 - Streamlined programming process.
- **Thoughts?**

Funding Restrictions



2020 LPP Guidelines: Section 3A. page 11

Supplemental funding subsection – minor edits made to Discussion Document:

A taxing authority may nominate an existing **programmed** project for supplemental funding if the project was allocated Formulaic Program funding, and the supplemental funding **is programmed to the same project component.** The **supplemental funding** and the match for that supplemental funding **cannot** be expended until after the **approved** supplemental funding **allocation.**

The supplemental funding may be to replace local funding already committed to the project, subject to the required match **outlined in Section XA.**

To streamline the programming process, a taxing authority may request to program supplemental funds with a simplified project nomination submittal as outlined in Attachment 1A.



COMPETITIVE PROGRAM

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Funding Restrictions (Section 3B)

Screening Criteria (Section 10B)

Project Rating Process (Section 11B)

(Refer to the Discussion Document for proposed language)

Funding Restrictions

2020 LPP Guidelines: Section 3B. page 22



Local Partnership Competitive Program will only fund the construction component of a capital project, except for those projects expected to be delivered using the design-build method, where a portion of the funds may be in design. A project will be considered for funding, if at time of adoption, the project has completed a project level environmental process in accordance with California Environmental Quality Act (CEQA) and, if the project is federalized, the National Environmental Policy Act (NEPA). A project may also be considered for funding if at time of adoption it has completed the final draft of a project level environmental document in accordance with CEQA and if applicable, NEPA. Environmental clearance must be completed **for CEQA and NEPA (if applicable)** within 6 months of program adoption.

Funds will not be allocated to any portion of a project until all project modes of the project have completed the environmental process.

Screening Criteria

2020 LPP Guidelines: Section 10B. page 26



Project nominations will receive an initial screening by the Commission for completeness and eligibility before ~~moving~~ **proceeding on** to the evaluation process.

An applicant submitting multiple project nominations must clearly prioritize its project nominations. ~~If a project is nominated by multiple applicants, the priority of the applicants should be consistent.~~

Project Rating Process

2020 LPP Guidelines: Section 11B. pages 26-27



~~To maximize the effectiveness of program funds, the minimum request for Local Partnership Competitive Program funds that will be considered is indicated below based on the population totals:~~

~~Category I (population \geq 1,500,000): \$5,000,000~~

~~Category II (population 700,000 to 1,499,999): \$3,000,000~~

~~Category III (population 300,000 to 699,999): \$2,000,000~~

~~Category IV (population 100,000 to 299,999): \$1,000,000~~

~~Category V (population $<$ 100,000): No minimum requirement~~

Maximum Funding Request

(no proposed changes)

The maximum request for Local Partnership Competitive Program funds is \$25,000,000 per project.



OFFICE HOUR SESSIONS

KAYLA GIESE

Program Analyst | Local Partnership Program

Office Hour Sessions



- Held virtually in February, March, and April
- Private sessions to discuss potential project nominations with Commission staff
- Scheduled on a first-come, first-served basis
- Request can be submitted via the [online registration form](#)



Questions and Comments

Key Topics for Future Workshops



- **Carryover Key Topics**
 - ✓ **Formulaic Program**
 - ✓ **Amendments**
 - ✓ **Project Cost Savings**
 - ✓ **Competitive Program**
 - ✓ **Equity**
 - ✓ **Evaluation Criteria**
 - ✓ **Pro-housing Designation Program**
- **Matching Requirements**
- **Project Nominations**
- **Performance Metrics Guidebook**

Closing and Next Steps



- Discussion Recap
- Next Workshop Date:
 - ✓ **February 25, 2022**
 - ✓ Save the Date Announcement
 - ✓ Workshop Agenda

Questions or Comments



Email LPP@catc.ca.gov

For latest updates, visit the Commission's website at www.catc.ca.gov and follow the Commission on [Twitter](#) or [Facebook](#).

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Thank You!